

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name & Address of Company

Reservoir Capital Corp. (the "Company")

Suite 501 - 543 Granville Street
Vancouver, British Columbia,
V6C 1X8

Item 2. Date of Material Change

June 08, 2017

Item 3. News Release

On June 09, 2017, a press release in respect of the material change was issued through the facilities of Marketwired via Canadian Timely Disclosure.

Item 4. Summary of Material Change

The Company announced that it has entered into an unsecured loan agreement to borrow a total of \$200,000.

The Company also announced that it has agreed with the majority of its creditors to convert approximately \$530,000 in outstanding debt into approximately 10,600,000 common shares of the Company at a deemed price of \$0.05 per share.

Item 5. Full Description of Material Change

Item 5.1 Full Description of Material Change

Refer to the press release of the Company disseminated on June 09, 2017, attached hereto.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report:

Kim Casswell, Corporate Secretary
Phone: 604-662-8448
Email: KCasswell@seabordservices.com

Item 9. Date of Report

June 09, 2017



News Release

June 9, 2017

Reservoir Capital Announces Financing and Debt Restructuring

Vancouver, British Columbia (TSX Venture: REO) Reservoir Capital Corp. (“Reservoir” or the “Company”) is pleased to announce that it has entered into an unsecured loan agreement (the “Loan Agreement”) to borrow a total of \$200,000 (the “Loan”). The Loan will mature and be repayable in full without interest six (6) months from the date of the Loan Agreement and is convertible at the Company’s discretion into units at a conversion price of 20 units per borrowed dollar. Each unit shall consist of one common share and one common share purchase warrant (a “Warrant”). Each Warrant shall be exercisable to acquire one common share for two years from the date of the Loan Agreement at an exercise price of \$0.05. The Company intends to use the net proceeds of the Loan for general corporate and working capital purposes. The conversion of the Loan into units is subject to the approval of the TSX Venture Exchange (the “TSXV”).

The Company also announces that it has agreed with the majority of its creditors to convert approximately \$530,000 in outstanding debt into approximately 10,600,000 common shares of the Company at a deemed price of \$0.05 per share. The Company wishes to settle this outstanding indebtedness with common shares in order to preserve its cash for operations. The shares for debt transaction is also subject to the approval of the TSXV.

The financing and debt restructuring are necessary to provide the Company with a clean balance sheet in order to position the Company to undertake future transactions. Over the past three years, management has provided the capital for Reservoir to operate by way of cash loans and the provision of services for little or no consideration. Reservoir recognizes that small undercapitalized companies need to consolidate to be successful. Accordingly, management will continue to evaluate business combinations with hydro and power companies sharing a vision for growth at a reasonable price.

Pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), the shares for debt transaction constitutes a “related party transaction” as related parties of the Company will receive 9,412,200 common shares of the Company in connection with the debt settlement. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, which are available since the securities of the Company are only listed on the TSXV and based on a determination that the fair market value of the transaction, insofar as it involves related parties, does not exceed \$2,500,000 or 25% of the market capitalization of the Company. The shares for debt transaction was approved unanimously by all non-interested directors of the Company. A material change report will be filed less than 21 days before the closing date of the two transactions. This shorter period is reasonable and necessary in the circumstances as the Company wishes to improve its financial position by reducing its accrued liabilities as soon as possible.

As a result of the Loan and the shares for debt transaction and excluding any options and warrants held by them,

- Miles Thompson, a director of the Company, will beneficially own and control 5,847,708 common shares of the Company, representing approximately 19.9% of the issued and outstanding common shares of the Company.
- Seabord Services Corp., a professional services firm that provides ongoing accounting, regulatory and back-office services to the Company, will beneficially own and control 5,307,200 common shares of the Company, representing approximately 18.15% of the issued and outstanding common shares of the Company.
- Michael Winn, the sole shareholder of Seabord, will beneficially own and control (including the foregoing shares held by Seabord) 5,525,200 common shares of the Company, representing approximately 18.89% of the issued and outstanding common shares of the Company.

Reservoir understands Mr. Thompson and Seabord are acquiring the common shares for investment purposes and may, in the future, acquire or dispose of the common shares through the market, private or otherwise as circumstances or market conditions warrant.

The common shares issued to the lender before the expiry of four months from the date of the Loan and to the creditors will be subject to four month hold (restricted resale) periods.

About Reservoir

Reservoir is a renewable energy company engaged in the development of hydroelectric projects in Serbia and other eastern European jurisdictions. Reservoir's common shares trade on the TSX Venture Exchange (symbol "REO").

For further information on Reservoir Capital Corp., please consult the Company's website www.reservoircapitalcorp.com.